



DEPARTMENT OF COMMERCE

International Trade Administration

[C-201-846]

Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico: Final Results of the 2020 Administrative Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) continues to find that the signatories, the Government of Mexico (GOM), and the respondent companies selected for individual examination, respectively, Impulsora Azucarera Del Trópico, S.A. de C.V. and its affiliate (collectively, Grupo Del Tropico), and Ingenio Huixtla SA de C.V. and its affiliates (collectively, Grupo Porres) (together, we refer to Grupo Del Tropico and Grupo Porres as “Respondents”), were in compliance with the terms of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, as amended (CVD Agreement), during the period of review (POR) from January 1, 2020, through December 31, 2020, except for certain instances of inconsequential non-compliance. Commerce also continues to find that the CVD Agreement met the statutory requirements under sections 704(c) and (d) of the Tariff Act of 1930, as amended (the Act) during the POR. However, we intend to address certain issues identified in this review by opening consultations with the GOM under Section VIII.D.4 of the CVD Agreement.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Sally C. Gannon or David Cordell, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0162 or (202) 482-0408, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 7, 2022, Commerce published the *Preliminary Results* of this administrative review.¹

On February 14, 2022, the American Sugar Coalition and its members (petitioners)² and Respondents filed case briefs, and the GOM filed a letter in lieu of a case brief.³

On February 22, 2022, petitioners and Respondents filed rebuttal briefs, and the GOM filed a letter in lieu of a rebuttal brief.⁴

Scope of the CVD Agreement

The product covered by this CVD Agreement is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets. Merchandise covered by this CVD Agreement is typically imported under the following headings of the HTSUS: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1020, 1701.14.1040, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1015, 1701.99.1017, 1701.99.1025, 1701.99.1050, 1701.99.5015, 1701.99.5017, 1701.99.5025, 1701.99.5050, and 1702.90.4000.⁵ The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this CVD Agreement is dispositive.⁶

Analysis

¹ See *Agreement Suspending the Countervailing Duty Investigation on Sugar From Mexico; Preliminary Results of the 2020 Administrative Review*, 87 FR 938 (January 7, 2022) (*Preliminary Results*), and accompanying Preliminary Issues and Decision Memorandum.

² The members of the American Sugar Coalition are as follows: American Sugar Cane League; American Sugarbeet Growers Association; American Sugar Refining, Inc.; Florida Sugar Cane League; Rio Grande Valley Sugar Growers, Inc.; Sugar Cane Growers Cooperative of Florida; and the United States Beet Sugar Association.

³ See Petitioners' Letter, "Case Brief on Behalf of the American Sugar Coalition," dated February 14, 2022; Respondents' Letter, "Case Brief" dated February 14, 2022; and GOM's Letter, "Letter In Lieu of Case Brief," dated February 14, 2022.

⁴ See Petitioners' Letter, "Rebuttal Brief on Behalf of the American Sugar Coalition," dated February 22, 2022; Respondents' Letter, "Rebuttal Brief," dated February 22, 2022; and GOM's Letter, "Letter In Lieu of Rebuttal Brief," dated February 22, 2022.

⁵ Prior to July 1, 2016, merchandise covered by the CVD Agreement was classified in the HTSUS under subheading 1701.99.1010. Prior to January 1, 2020, merchandise covered by the CVD Agreement was classified in the HTSUS under subheadings 1701.14.1000 and 1701.99.5010.

⁶ For a complete description of the Scope of the CVD Agreement, see Memorandum, "Issues and Decision Memorandum for the Final Results of the 2020 Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, as Amended," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Commerce continues to determine that the CVD Agreement met the statutory requirements under sections 704(c) and (d) of the Act, during the POR. We also continue to find, based on record evidence, that the GOM and Respondents, Grupo Del Tropico and Grupo Porres, were in compliance with the terms of the CVD Agreement during the POR, except for certain instances of inconsequential non-compliance. During the review, Commerce identified issues related to recordkeeping and certain complex transactions referred to as “swap transactions.” We intend to consult with the GOM under Section VIII.D.4 of the CVD Agreement (“Operations Consultations”) to ensure compliance with the CVD Agreement. Such consultations are necessary to demonstrate adherence to the statutory requirements of the CVD Agreement and to ensure that any potential administrative challenges to effective monitoring are diminished.

The issues raised in the case and rebuttal briefs are addressed in the accompanying Issues and Decision Memorandum and business proprietary memorandum.⁷ The issues are identified in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Notification Regarding Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby

⁷ See Issues and Decision Memorandum; Memorandum, “Final Results Analysis of Proprietary Information in the 2020 Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, as Amended,” dated concurrently with the Issues and Decision Memorandum.

requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 19 CFR 351.221(b)(5).

Dated: June 29, 2022.

Ryan Majerus,
Deputy Assistant Secretary for Policy & Negotiations,
Enforcement and Compliance.

APPENDIX

Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Agreement
- IV. Discussion of the Issues
 - 1. Alleged Violations and Consultations with the GOM
 - 2. Allocation Reduction
 - 3. Swap Transactions
- V. Recommendation

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